HEALTH

I. OVERVIEW

The Health program is the fifth of eleven major program areas in the statewide program structure. The overall objective of the Health program is to monitor, protect, and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy, and natural environment, and to assure basic health care for all.

The Health program is comprised of five principal sub-program areas. Within these sub-programs, there are 22 lowest-level operating programs. The principal sub-programs are:

1. Health Resources - 9 lowest-level programs
2. Hospital Care - 1 lowest-level program
3. Behavioral Health - 5 lowest-level programs
4. Environmental Health Services - 3 lowest-level programs
5. Overall Program Support - 4 lowest-level programs

These programs will be reviewed in more detail in Section II, "Costs and Effectiveness of the Recommended Programs." Organizationally, the Health program is totally within the Department of Health (DOH), whose mission is to provide leadership in monitoring, protecting and enhancing the health of Hawaii's residents.

The Health program has significant relationships with federal, private, and other State programs. The Federal Government, through the Department of Health and Human Services; provides project funds and block grants and exerts direct influence over the operation of programs through regulations that must be met to qualify for grants and reimbursements. Within available resources, funds have been provided to contract with private agencies for specialized health care services, and subsidies have been recommended for the operation of private hospital facilities. Administrative, programmatic, and contractual arrangements are coordinated with other State programs, such as the Purchase of Service Program and Health Care Payment Program of the Department of Human Services to meet the varied health needs of the public. Relationships with county jurisdictions are not as significant since it is the State's responsibility to provide statewide health services and medical treatment services to the neighbor islands.

The major program activities performed by the Health programs include:

Health Resources - Provision of early prevention, diagnostic, and treatment services for communicable diseases, dental diseases, and chronic diseases; provision of nutritional services, and health and injury prevention education; provision of early prevention, diagnostic, and treatment services for families through maternal and child health, children with special health needs, developmental disabilities and community health services; and provision of emergency medical services (EMS).

Hospital Care - Provision of general acute care, long-term care, outpatient and emergency services through twelve (12) State operated facilities on all islands except Molokai and Niihau.

The Hawaii Health Systems Corporation (HHSC) was created in 1996 (Act 262, SLH 1996) to operate the State's 12 community hospitals. The purpose of HHSC is to sustain and enhance both the levels of service and the quality of care for the communities served in the most cost-effective fashion. HHSC is the primary hospital acute care provider on the neighbor islands, and, in many instances, provides the only in-patient acute hospital services and only long term care services in rural Hawaii locations.

The mission of HHSC: Providing and enhancing accessible, comprehensive health care services that are quality-driven, customer-focused, and cost effective.

The vision of HHSC: To be the provider of choice for the communities we serve; the employer of choice for our staff; and the system of choice for our physicians.

Behavioral Health - Provision of prevention, diagnostic and treatment services for mental illness through the State Hospital, and community mental health programs and centers and provision of alcohol and drug abuse prevention, diagnostic and treatment services.

Environmental Health Services - Prevention of public health diseases and illnesses that may result from excessive noise, asbestos and lead contaminants, poor indoor air quality, contaminated or adulterated foods, improperly stored or handled food, vector borne diseases, improper operations of radiological medical devices, and radiological incidents.

Overall Program Support - Provision of overall health activities for the planning, health data collection and research, coordination, and administration of DOH.

Table I-1 illustrates operating and capital investment costs of the Health program. Table I-2 illustrates the Health operating budget by means of financing.

Operating costs for the Health program will increase from $1,002.2 million in FY 07 to $1,144.6 million in FY 09, a total increase of 14.2%. A total of $57.0 million has been recommended for the Health program, excluding the HHSC, for capital investment appropriation during the biennium budget period FB 2007-09. Significant capital appropriations include: $1.9 million for the Wastewater Treatment Revolving Fund for Pollution Control and $3.3 million for the Safe Drinking Water Revolving Fund. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

The general health of Hawaii's citizens can be evidenced by a life expectancy of 80.5 years (2000 data) and the age adjusted mortality rate of 5.99 per 1,000 residents (2005 data).

TABLE I-1

INVESTMENT AND OPERATING COSTS

HEALTH PROGRAM

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	52.7	42.2	27.0	18.0	...	...	...	...
Operating	913.2	1,002.2	1,119.1	1,144.6	1,144.3	1,144.3	1,144.3	1,144.3
TOTAL	965.9	1,044.4	1,146.1	1,162.6	1,144.3	1,144.3	1,144.3	1,144.3

A/ Expenditures in millions of dollars from all funds.

TABLE I-2

OPERATING COSTS OF THE HEALTH PROGRAM BY MEANS OF FINANCING

(in $ thousands)

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program								
General Fund	398,723	436,429	489,123	490,205	489,837	489,837	489,837	489,837
Special Funds	423,252	424,515	469,059	488,570	488,570	488,570	488,570	488,570
Other Federal Funds	88,379	85,719	91,616	91,638	91,638	91,638	91,638	91,638
Interdept. Transfer	2,841	55,572	69,255	74,236	74,236	74,236	74,236	74,236
TOTAL	913,195	1,002,235	1,119,053	1,144,649	1,144,281	1,144,281	1,144,281	1,144,281

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAM

This section discusses activities, costs, and effectiveness of the five major Level II programs which constitute the Health program.

HEALTH RESOURCES

The objective of this Level II program is to promote the optimal state of physical and psychosocial well-being of individuals, families, and communities through assurance of quality and appropriate prevention and intervention services, planned and developed with input from communities. The Health Resources Program is comprised of nine lower-level programs which are administered by DOH and which promote the well-being and reduce morbidity and mortality of the people of the State.

1. Communicable Disease Services - Plans and implements programs for control, treatment, and elimination of communicable diseases; provides detection, treatment and rehabilitation services for Hansen's Disease (HD) patients; provides detection and treatment services for tuberculosis (TB) patients; operates clinics for detection and treatment of venereal disease and detection, counseling and referral of people infected with the human immunodeficiency virus (HIV). The Communicable Disease Division (CDD) is comprised of programs in: 1) tuberculosis; 2) Hansen's disease; and 3) HIV infection, acquired immunodeficiency syndrome, and other sexually transmitted diseases (STD).

2. Disease Outbreak Control - Provides diagnostic, treatment and prevention services for infectious diseases hazardous to public health. One important component of this division is investigation of outbreaks of infectious diseases with the objective of preventing epidemic spread of disease in Hawaii's population. The Disease Outbreak Control Division is responsible for coordinating all department bioterrorism preparedness planning activities and integrating these activities with surveillance and response mechanisms.

3. Dental Diseases - Performs two primary functions: prevention through delivery of screening examinations, topical fluoride applications, fluoride rinse programs, oral health education to school-aged children and community adult groups, in-service training for staff in public and private institutions; and comprehensive dental treatment for indigent, mentally and physically disabled, medically compromised and frail elderly persons at community-based dental clinics.

4. Developmental Disabilities - Administers and provides a broad array of community-based services for persons with developmental disabilities or mental retardation (DD/MR). Community-based services include DD/MR determination; case management; person centered planning and supports; quality assurance, complaint resolution; individual outcomes monitoring, health and safety assurance; training of private providers, families and staff; coordination and monitoring of purchase of service providers; certification of adult foster homes and developmental disabilities domiciliary homes; pre-admission screening and annual review of residents and nursing facilities; and setting of standards for programs and services.

5. Family Health - Performs activities to assure that all families, women, pregnant women, mothers, infants, children, and children with special health needs and adolescents receive quality prevention and intervention services based on their individual needs. Activities include direct health care services to low-income women and children; health education, program planning and coordination; early identification and intervention services for children with special needs; and outreach, health education and special intervention programs directed to adolescents.

6. Community Health Services - Provides leadership in the planning, development, implementation, evaluation and dissemination of effective community-based culturally appropriate health promotion and risk reduction strategies and programs that target individuals, families and communities who are at highest risk for poor health outcomes.

   Collaborates with other State agencies, volunteer and community-based organizations, the medical community, professional associations, consumer/advocacy groups, private businesses and other entities to assure access, utilization and quality of health services aimed at the prevention and control of chronic diseases such as cancer, heart disease, lung disease and diabetes. Provides bilingual translation and interpretation services to assist limited-English-speaking residents in accessing needed health care.

   Provides public health nursing, technical assistance, and support to public schools, and provides early intervention nursing services; nursing assessments and care coordination/case management of at-risk individuals, families, and communities; and nursing services related to immunization, disease prevention and control, and emergency response.

7. Tobacco Settlement - Administers the distribution of the Tobacco Settlement Special Fund (TSSF), implements the DOH health promotion strategies with the TSSF allocation and administers the Tobacco Prevention and Control Trust Fund (Trust Fund) pursuant to HRS §328L-5. Implements the Healthy Hawaii Initiative with the departmental allocation to address the three risk areas of nutrition, physical activity and tobacco use for the primary prevention of chronic disease and health promotion. Coordinates within the department, collaborates with other governmental and non-governmental agencies, establishes relationships and strategic partnerships to build capacity for sustainable changes through policy, systems, environmental changes, and to address health disparities. Provides warehousing of health status monitoring and surveillance data, training, data analysis and published reports. Supports the Tobacco Prevention and Control Advisory Board which advises the DOH on the administration of the Trust Fund for tobacco prevention and control interventions and activities.

8. Emergency Medical Services and Injury Prevention System - Administers a comprehensive EMS and Injury Prevention System to minimize death, injury, and disability due to life threatening situations by assuring the availability of high quality emergency medical care through the development of a system capable of providing coordinated emergency medical care and injury prevention services. Program activities include ambulance services, establishment of pre-hospital care standards and protocols, maintenance of a medical communication system, licensure of all ambulances, quality improvement/assurance, data collection and analysis, billing and collection of fees for emergency ambulance services, assurance of an adequate number of appropriately trained emergency medical personnel and other support services to maintain quality pre-hospital medical care throughout communities statewide. Also provides a comprehensive array of injury prevention and control programs that include, but are not limited to motor vehicle safety, pedestrian safety, violence and suicide prevention using a spectrum of strategies working through established partnerships and coalitions in communities statewide.

9. Health Resources Administration - Performs activities to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel in areas of communicable disease, infectious disease, dental health, health promotion and education, developmental disabilities, family health, public health nursing, emergency medical services, and bilingual health services.

Table II-1 illustrates the capital investment, operating costs and selected measures of effectiveness of the Health Resources sub-program.

TABLE II-1

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

HEALTH RESOURCES

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	6.1	11.0	4.5	...	...	...	...	...
Operating	286.1	350.2	402.5	409.8	409.8	409.8	409.8	409.8
TOTAL	292.2	361.2	407.0	409.8	409.8	409.8	409.8	409.8

A/ Expenditures in millions of dollars from all funds.

B. Selected Measures of Effectiveness/ Activity								
1. TB New Case Rate, % Completing Therapy.	91	90	92	92	93	93	93	93
2. % Reported Vaccine-Preventable Diseases Investigated.	100	100	100	100	100	100	100	100
3. % of People Receiving Developmental Disabilities Services.	30	32	33	33	34	34	35	35
4. % Persons in Institutions Receiving Dental Services.	90	90	92	92	92	92	92	92

HOSPITAL CARE

Table II-2 provides an overview of the cost trends of the Hospital Care program. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-2

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

HOSPITAL CARE

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	46.1	23.3	10.0	10.0	...	...	...	...
Operating	371.7	381.3	433.2	457.0	457.0	457.0	457.0	457.0
TOTAL	417.8	404.6	443.2	467.0	457.0	457.0	457.0	457.0
B. Selected Measures of Effectiveness/ Activity								
1. Occupancy Rate - Acute Care	67.21	72.00	73.00	74.00	74.00	74.00	74.00	74.00
2. Occupancy Rate - Long-Term Care	96.80	98.00	98.00	98.00	98.00	98.00	98.00	98.00
3. Number of Births	3,447	3,764	3,877	3,993	4,000	4,000	4,000	4,000

A/ Expenditures in millions of dollars from all funds.

BEHAVIORAL HEALTH

The overall objective of the Behavioral Health program is to reduce prevalence of, and severity and disabling effects related to emotional disorders, serious mental illness, and alcohol and other drug abuse by assuring an integrated public/private community-based system of prevention, intervention and treatment services.

The Behavioral Health program consists of five lowest-level programs. The major activities performed by the programs are:

1. Adult Mental Health - Outpatient - Activities performed are currently carried out by eight community mental health centers, the Courts Branch, and purchase of service contracts with the private sector. Mental health services provided for adults with severe and persistent mental illness include: case management and support services, treatment services, crisis services, community housing services, and psychosocial rehabilitation services.

2. Adult Mental Health - Inpatient - Provides specialized inpatient treatment for adults with severe and persistent mental illness at acute and sub-acute rehabilitative levels of care. Forensic services are provided for patients committed by the Court for examination, fitness evaluation, not guilty by reason of insanity, and revocation of conditional release.

3. Alcohol and Drug Abuse - Provides treatment services including adult residential, intensive outpatient, outpatient, non-medical residential detoxification and methadone maintenance, and adolescent residential and school-based treatment with particular emphasis on pregnant addicted women, injection drug users and native Hawaiians. A program of integrated case management and substance abuse treatment to divert the criminal justice population into treatment is being implemented. Provides prevention services concentrating on high-risk children and youth, underage drinking, girl-specific substance abuse prevention services, misused and abused prescription services to the elderly, and dissemination of the latest substance abuse prevention information through a clearinghouse. A new federal substance abuse prevention grant utilizing Best Practices and community partnerships is also being implemented. Treatment and prevention activities are performed by purchase of service contracts with private, nonprofit substance abuse agencies.

4. Child and Adolescent Mental Health - Provides case management and mental health services to address children and adolescent needs relating to physical, social, emotional and other developmental needs. Activities carried out to achieve program outcomes are provided by eight branches and the central division administration offices (central office). The central office assures that a comprehensive array of services is available in all communities, and that these contracted services are being provided as expected. The Clinical Services Office (CSO) disseminates and evaluates application of evidence-based services across the State. The Performance Management Office (PMO) oversees credentialing, certification and monitoring of provider agencies. The PMO also operates the division's Grievance Program and oversees the division's Quality Assurance and Improvement Program (QAIP). The Central Administrative Services (CAS) manages contracts, personnel, accounting, and claims review processes. Staff in the seven Family Guidance Center branches provide intake assessments and intensive case management services while procuring needed treatments from the contracted provider array. Services are provided with the treatment goal of improving the emotional well being of the child or adolescent, while strengthening the family and community's ability to support the child as they grow. Staff in the Family Court Liaison Branch (FCLB) provides risk-for-harm screening, mental health assessments, and treatment services for adolescents entering the Detention Home (DH) or Hawaii Youth Correctional Facility (HYCF). CAMHD operates as a managed care Behavioral Health Organization for a select Medicaid eligible population with serious mental health challenges.

5. Behavioral Health Administration - Performs activities to enhance program effectiveness and efficiency by formulating policies, implementing current needs assessments and quality assurance functions, directing operations and personnel, studying treatment outcomes and comparisons with other areas or states in areas of adult mental health, child and adolescent mental health, and alcohol and drug abuse systems.

The capital investment and operating costs and measures of effectiveness for the Behavioral Health sub-program are presented in Table II-3. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-3

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

BEHAVIORAL HEALTH

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	0.1	3.7	3.0	3.0	...	...	...	...
Operating	226.4	240.1	263.8	262.9	262.9	262.9	262.9	262.9
TOTAL	226.5	243.8	266.8	265.9	262.9	262.9	262.9	262.9

A/ Expenditures in millions of dollars from all funds.

B. Selected Measures of Effectiveness/ Activity								
1. % of Consumers Served at High Intensity Functional Level	12	12	12	12	12	12	12	12
2. % of Clients Completing Alcohol & Drug Abuse Treatment.	44	45	49	49	49	49	49	49
3. % of Purchase of Service Programs Monitored.	100	100	100	100	100	100	100	100

ENVIRONMENTAL HEALTH SERVICES

The overall objective of the Environmental Health Services program is to protect the community from unsanitary or hazardous conditions, adulterated or misbranded products, and vector-borne diseases; to control noise, radiation, asbestos, lead and indoor air quality; to enforce standards for health care facilities; and to provide specialized laboratory services.

The Environmental Health Services program consists of three lowest-level programs. The major activities performed by the programs are:

1. Environmental Health Services - Consists of four, statewide, branch-level programs: Food and Drug Branch, Noise, Radiation and Indoor Air Quality Branch, Sanitation Branch and Vector Control Branch. The major activities performed by these programs are:

   a. Research and Standards - Conduct research in areas of control methods for vectors, new methods for assuring public health safety and sanitation, and new and improved methods and equipment for sampling and inspections activities; and develop and maintain program standards and rules reflecting results of the research.

   b. Inspections - Perform inspections of food services, food establishments, noise and radiation sources, chronic vector breeding sources, public and private building and dwellings, recreation venues, mortuaries, cemeteries, indoor air environments, purveyors of pharmaceutical products, to assure that they do not result in significant public health diseases or injuries, or degradation of the community environment.

   c. Measurement and Surveillance - Monitor population trends of major vectors on a statewide basis; perform surveillance of food, prescription drugs, therapeutic devices and cosmetics to assure that they are safe and/or effective and properly labeled; collect and test samples on shellfish and other marine life for compliance with standards of purity and quality; monitor, measure, and conduct surveillance of noise, radiation, asbestos containing materials, lead based paint, air conditioning and ventilation systems, and indoor air quality to assure healthy and safe environments.

d. Abatement - Control breeding areas of vectors that may pose a threat to public health or environment through application of chemicals or introduction of biological predators and follow up with inspections and surveillances; minimize risks of excessive noise levels, asbestos and lead containing materials, and indoor air contaminants; and minimize health risks from contaminated or adulterated foods.

e. Review - Review plans for public buildings to assure conformance with sanitation and ventilation requirements.

f. Partnerships - Develop and maintain partnerships with all levels of government, the regulated community, and the general public in order to provide the most effective means of public service.

g. Public Participation - Provide educational programs and information to the public to increase their awareness and understanding of the rules and services of the Environmental Health Services programs.

h. Emergency Response for Radiological Emergencies

2. Health Care Assurance - Assure high levels of care through establishment and implementation of State licensing qualitative and quantitative standards for health care facilities, programs, and home and community-based care giving settings and related services and programs. These include but are not limited to hospitals, nursing homes, home health agencies, adult residential care homes, developmental disabilities domiciliary homes, special treatment facilities, and clinical laboratories. Perform contractual requirements between the State and the federal Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration, to perform survey and certification activities using federal regulations to enable health care providers to participate in the reimbursement program under Title XVIII (Medicare) and Title XIX (Medicaid).

3. State Laboratory Services - Administer a statewide laboratories program which conducts scientific analysis in support of environmental health and communicable disease monitoring and control activities. Provides consultative and other related laboratory services to departmental programs concerned with environmental and sanitation safeguards. Provides diagnostic and consultative laboratory services to physicians, institutions and various federal, State, county and city agencies for diagnosis and control of disease. Evaluates and approves or licenses laboratories,

clinical laboratory personnel and medical review officers. Provides research, investigations and related laboratory services in the field of public and environmental health. Participates in the national Bioterrorism Preparedness program which provides new federal funded positions, equipment and supplies to enable the State Laboratory to respond to chemical terrorism and bioterrorism events including the rapid testing of suspected bioterrorism agents.

Table II-4 illustrates the operating costs and selected measures of effectiveness of the Environmental Health sub-program.

TABLE II-4

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

ENVIRONMENTAL HEALTH

	Fiscal Years							
	Actual 2005-06	Est. 2006-07	Rec. 2007-08	Rec. 2008-09	Projected 2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	...	0.2	...	...	...	...	...	...
Operating	17.0	18.7	20.8	20.5	20.0	20.0	20.0	20.0
TOTAL	17.0	18.9	20.8	20.5	20.0	20.0	20.0	20.0

A/ Expenditures in millions of dollars from all funds.

B. Selected Measures of Effectiveness/ Activity								
1. % of Food Service Establishments that Meet Standards.	100	98	98	98	98	98	98	98
2. % of Requests for Services Met (State Lab Services).	99	99	99	99	99	99	99	99

OVERALL PROGRAM SUPPORT

The objectives of the Overall Program Support Level II program is to assure that DOH possesses fundamental capacities for effective and efficient actions to accomplish its mission, goals, and objectives by applying the best available technical knowledge, by recruiting and maintaining well trained and competent personnel, by generating and maintaining constituencies and political support, and by securing adequate fiscal support.

Program activities include support services relating to planning, reviewing, facilities management and budgeting department-wide programs, operations, and activities.

This Level II program is composed of the following four lowest-level programs:

1. State Health Planning and Development Agency - Perform statewide health planning activities with the health industry and communities to set the blueprint for development of our second largest industry. Also ensures that organizations that want to provide health care are capable of providing quality care, are accessible to our citizens, and are cost responsible. Collects health industry utilization data, maintains a health care GIS, and performs special studies on the health industry.

2. Health Status Monitoring - Administers a statewide program to collect, analyze, and disseminate population-based public health statistics to assess the health status of Hawaii's multi-ethnic population and to fulfill vital statistics legal requirements including registration and issuance of certified copies of all births, deaths, and marriages occurring in the State. The monitoring of health status which is performed by this office to identify community health problems is one of the ten essential public health services identified by the Institute of Medicine.

3. Developmental Disabilities Council - Performs statewide planning, coordination, evaluation, advocacy, and reporting activities for individuals with DD. Assures that individuals with DD and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life through culturally competent programs.

4. General Administration - Provides department-wide policies, directs operations and personnel, and performs other administration services including budget, fiscal and facilities management.

The capital investment, operating costs and measures of effectiveness for the Overall Program Support program are presented in Table II-5. It is noted that no capital investment costs are reflected for the planning period because projects are under review.

TABLE II-5

INVESTMENT AND OPERATING COSTS
AND
MEASURES OF EFFECTIVENESS/ACTIVITY

OVERALL PROGRAM SUPPORT

	Fiscal Years							
	Actual	Est.	Rec.	Rec.	Projected			
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Costs of the Recommended Program[A/]								
Capital Investment	0.4	3.9	9.5	5.0	...	...	...	...
Operating	12.0	12.0	13.0	12.9	12.9	12.9	12.9	12.9
TOTAL	12.4	15.9	22.5	17.9	12.9	12.9	12.9	12.9

A/ Expenditures in millions of dollars from all funds.

B. Selected Measures of Effectiveness/ Activity								
1. % of Cert. of Need Applications Documents Relating to HSFP.	95	95	95	95	95	95	95	95
2. % of Strategies Completed in Hawaii State DD Plan.	100	25	40	50	75	100	100	100
3. % of Grievances Resolved (DOH-Staff Admin).	92	92	92	92	92	92	92	92

III. PROGRAM CHANGE RECOMMENDATION

HEALTH RESOURCES

Communicable Disease Services (HTH 100)

The new program ID, HTH 100, represents a consolidation of the following program IDs - HTH 101, 111, 121 and 595/KE. These programs were consolidated into one program ID since they comprise the Communicable Disease Division.

Family Health (HTH 560)

The new program ID, HTH 560, represents a consolidation of the following program IDs - HTH 530, 540, 550 and 595/KC. These programs were consolidated into one program ID since they comprise the Family Health Services Division.

Community Health Services (HTH 580)

The new program ID, HTH 580, represents a consolidation of the following program IDs - HTH 180, 570 and 595/KD. These programs were consolidated into one program ID since they comprise the Community Health Division.

Tobacco Settlement (HTH 590)

This change in program ID to HTH 590 for the Tobacco Settlement program, which was previously HTH 595/KK, better reflects the organizational administration and placement of the program in the department's program structure.

HOSPITAL CARE

HHSC's biennium budget request is to increase the special fund ceiling by $46,983,063 in FY 08 and $70,789,063 in FY 09. This is needed due to expenditures incurred for the conversion of Kula, Hale Ho'ola Hamakua, and Samuel Mahelona Memorial Hospitals to critical access hospital status; hospitalist programs at Hilo, Maui, and Kona; operating new med/surg wing at Maui Memorial; providing physicians for specialty coverage; etc. Also, based on R-C Management Hospital Inflation index for 2008 and 2009, the inflation rates are ranging from a low 3.60% to a high 6.70% in certain categories, like pharmaceutical drugs.

To correct health and life safety code deficiencies for all HHSC facilities, a lump sum CIP request of $10,000,000 in FY 08 and $10,000,000 in FY 09 is being requested. Failure to fully fund the minimum of HHSC's life safety code needs for FY 08 and

FY 09 will potentially put patients, visitors and staff in jeopardy, plus it will put some facilities in jeopardy of loss of accreditation and associated funding.

General Fund subsidy of $1,500,000 in FY 08 and $1,500,000 in FY 09 is being directed to HHSC for Kahuku Hospital. It is unknown at this time whether the $1.5 million per year in general fund subsidy will be sufficient to sustain operations of Kahuku Hospital. After due diligence on both operational deficits and potential liabilities, HHSC will provide updated information to the Administration and the Legislature so the appropriate decision can be made.

IV. EMERGING TRENDS, CONDITIONS AND ISSUES

HEALTH RESOURCES

1. Communicable Disease Services

   Communicable Disease Services focus is on tuberculosis, sexually transmitted infections, HIV, and Hansen's Disease. These infections commonly occur in difficult to reach populations characterized by unfair social stigmatization, poverty, disenfranchisement, ignorance, alcoholism, drug abuse, or immigration and have repercussions for the entire State. Consequently, the CDD's education, special testing, and community outreach programs are essential to identifying people with infection, treating them, and preventing the spread of infection. Partnerships with numerous federal, State, local, private, and non-profit organizations are vital to CDD's mission.

   Many of these infections require prolonged antibiotic or antiviral medications ranging from several months of treatment to lifelong. In order to facilitate the control of these infections, the DOH frequently provides or contracts for health care services to treat these diseases, particularly for those who cannot afford it or who would have difficulty accessing medical care. The CDD also provides long-term medical care and daily living support for formerly institutionalized Hansen's Disease patients at Kalaupapa and Hale Mohalu Hospital through a legislatively mandated program.

- Tuberculosis

  For 2005, there were 112 TB cases reported in Hawaii which equated to a TB case rate of 8.8 per 100,000. This was the second highest in the nation compared with the national rate of 4.8 per 100,000.

  About 81% of Hawaii's TB cases occur among the foreign-born. Most of Hawaii's immigrants come from countries with drug-resistant TB. Philippine immigrants account for about 64% of these foreign-born cases, followed by those from Japan (7%), and Vietnam (5%). Almost half of the TB cases in immigrants occur within the first four years after arrival.

  TB also remains a major issue for the elderly. Since 1990, the over-65 age group has accounted for a large proportion of the TB cases in Hawaii. Most of these residents contracted their TB infection decades earlier and are now reactivating the disease because of waning immunity and poor general health.

  There were no reported cases of active TB co-infected with HIV in Hawaii in 2005. However, the potential remains for the rapid spread of TB through this population since the HIV-infected person lacks immunity to TB and is highly susceptible. Concurrent TB disease and HIV infection can be complicated by a large burden of TB organisms, increased contagion, and the spread of multi-drug resistant TB organisms to the general populace.

  The program has addressed these problems by expanding TB treatment services, including directly observed therapy (DOT) by outreach workers to the private sector; expanding DOT to include high risk individuals receiving preventative therapy (DOPT); continued aggressive contact investigations; implementation of a targeted testing program for high-risk populations; and expansion of preventative therapy to include all reactors regardless of age.

  If further shifting of testing and treatment to the private sector is to occur, the TB Branch will be required to maintain increased communication with those involved and to create more sophisticated information systems and laboratory methodologies such as DNA fingerprinting in order to continue effective monitoring and reporting of the course of this disease in the State. The cost of community hospital services providing chest x-rays on neighbor islands may continue to increase with further privatization. Staff and funding must be maintained to

avoid reductions in critical TB detection, treatment, and surveillance services.

- Hansen's Disease

The State HD Outpatient Program continues to find relatively high numbers of new HD cases from among newly arrived citizens from the South Pacific region, primarily the Compact of Free Association (COFA) countries of the Federated States of Micronesia (FSM) and the Republic of Marshal Islands (RMI). These countries (FSM and RMI) have the highest prevalence and incidence of HD in the Pacific. 73% of Hawaii's new HD cases are found in persons born in the COFA countries who are choosing to reside in Hawaii for better employment, education, and medical care opportunities. A relatively large base population (last estimated at 12,725) along with continuous in-migration from the COFA nations place heavier demands on program resources as HD screenings continue and new cases of HD are identified.

Limited access to resources and vast cultural differences within this Pacific Islander population has required the program to modify how HD services are delivered. In addition to reliance on community physicians and screening the contacts of active cases, customized skin and nerve screenings for high-risk groups continue. This involves HD education, screening and assessment of additional health concerns and resources by HD public health nurses (PHN) in the individual's home since access to health care is a challenge for these persons. The program continues a weekly referral system within the DOH Easy Access Program (EAP) under Bilingual Health Services. In addition, joint screenings of large numbers of migrant groups from Maui with the DOH's TB Control Program increased this past year. The program implemented monthly clinics and home visits for screening and case management in collaboration with the District Health Office PHNs and a newly formed family health center in a high risk and underserved area in Ka'u on the Big Island. Such activities and other venues such as screening homeless shelters and other communities where high-risk groups can be found will continue in order to address the increased migration of the high-risk population from Oahu to Maui and the Big Island.

The HD Outpatient Program is seen as a leader in community and interagency collaborative efforts in working with this high-risk population. HD PHNs have facilitated the Nations of Micronesia (NOM) community group for two years. This group worked in developing the Micronesian Community

Network, which is comprised of leaders from the Micronesian community. HD PHNs spearheaded joint agency health screenings and displays in a health and cultural fair at the Next Step Shelter, Waipahu Community, and Micronesian Cultural Festival. Ongoing collaboration with Micronesian community group leaders continues to develop liaisons trained to report symptoms of HD and other conditions. Building capacity within this population promotes health screenings for themselves, their families and their communities. Such collaborative measures will yield more effective and efficient delivery systems of detection and treatment for HD as well as other communicable diseases.

A major problem facing the inpatients of Kalaupapa and Hale Mohalu has been the increasing severity of medical problems due to a rapidly aging population (average age is 76 years). This is compounded by progressive disabilities due to HD. The increasing costs and increasing numbers of acute care hospitalizations as well as other types of costly complex care has increased the cost of medical care for this group despite the decreasing numbers of patients (33). The greater severity of patients' medical problems has placed a heavy burden on the nursing staff at Hale Mohalu Hospital and the Kalaupapa Nursing Facility as patients require a higher level of care at both facilities.

State and federal statutes allow Kalaupapa-registry patients to remain in Kalaupapa for as long as they choose. Although patient numbers have declined, the cost for running the severely isolated settlement will not. Funding and personnel cuts over the past several years have put the settlement at the minimum funding level at which a safe and viable community can be maintained. The transfer of some of the infrastructure responsibilities from the DOH to the National Park Service (NPS) has been initiated as a means of decreasing DOH cost. However, unstable federal funding for the NPS has not allowed for a major transfer of responsibilities.

- AIDS and STD

The STD/AIDS Prevention Branch (SAPB) is responsible for coordination and/or provision of surveillance, prevention, treatment, and care services for individuals who are at risk for or are infected with STDs or HIV/AIDS.

Through June 30, 2006, a cumulative total of 2,884 cases of AIDS have been reported. Named HIV reporting is

expected to begin in 2007. An estimated 2,300 to 3,200 individuals are living with HIV in the State.

The HIV prevention program focuses on changing the behavior of those individuals most at risk, helping them to access counseling and testing, and if positive, to access case management and a full range of care and treatment services. Services are provided by SAPB staff and through contracts and partnerships with community-based organizations in all counties.

The demand for HIV prevention and care services continues to increase while State funding to SAPB has remained flat for over 14 years. Supplementary Ryan White CARE Act funding which has been awarded to Hawaii for the past seven years has covered the increasing cost of providing HIV drug assistance. These treatments have helped reduce the number of HIV patients requiring hospitalization, decrease the average length of hospital stay and reduce emergency room visits. Newly infected individuals are accessing services earlier. With the coming introduction of HIV rapid testing, it is anticipated that more people will be able to learn their HIV status and seek treatment, if infected. Medicare Part D now serves some individuals who would otherwise use CARE Act funds. Overall, federal HIV/AIDS funding appears unlikely to increase and may decrease in the coming years. As a result, the program may become unable to provide critical HIV care and support services.

Since the late 1990s there has been a significant and concerning increase in reported cases of syphilis, gonorrhea and Chlamydia infections in Hawaii. Chlamydia rates are well above the national average while gonorrhea rates almost match the national rate. STDs, if left undiagnosed and untreated, can lead to serious complications including infertility. It is well documented that STDs increase susceptibility and facilitate HIV transmission. This situation is the focus of a continuum of program interventions including provisions of STD examination and treatment services, screening activities, case-finding activities, coupled with STD/AIDS education and risk reduction programs. However, long-term flat funding has limited the number of individuals who can receive STD services. A collaborative response by SAPB and public and private providers is underway to strengthen prevention and care services. Overall, the program is increasingly integrating HIV, STD and hepatitis services for those most at risk.

2. Disease Outbreak Control Services

Infectious disease is a major cause of mortality in Hawaii and control of infectious disease outbreaks remains a core function of DOH through activities of the Disease Outbreak Control Division (DOCD). In recent years, there has been an increase in illnesses caused by infectious agents nationwide. Some factors that have contributed to emergence of these infectious pathogens include ecological changes, changes in human demographics and behavior, international travel and commerce, microbial adaptation, and breakdown in public health control measures. The emergence or re-emergence of illness caused by cholera, ebola, and Hantavirus can all be traced to a combination of the above factors. Emerging pathogens such as E. coli 0157 and severe group A Streptococcal infections have been increasing among Hawaii's population over the past several years. A concerted effort to prevent and control infectious pathogens is necessary to respond to the growing threat posed by these and other infectious diseases.

The effort to prevent and control infectious illnesses has led to development of improved disease surveillance systems. Comprehensive surveillance data helps ensure that appropriate control measures are instituted in prompt response to reports of a disease outbreak. The DOCD is responsible for maintaining and enhancing existing surveillance and response capabilities of our statewide disease investigation program.

One of the most cost effective measures to prevent spread of infectious diseases among the population is age-appropriate immunization. Initiatives administered by the DOCD's Hawaii Immunization Program currently provide federally funded vaccine to nearly two thirds of Hawaii's children. In addition to supplying vaccine to under-immunized children, the Immunization Program promotes immunizations to parents and providers, and enforces school attendance immunization requirements. A special program has been established to reduce transmission of hepatitis B within our State because Hawaii has the highest rate of chronic hepatitis B infection in the nation.

Continued growth in Hawaii's resident population, with a concomitant increase in population density, will enhance the potential for person to person disease transmission in the future. Moreover, immigrants and refugees arrive in Hawaii each year from areas where diseases of public health importance, such as hepatitis A and hepatitis B, are highly endemic. The large number of foreign visitors to Hawaii adds to the complexity of infectious disease control

activities required in our State. A strong Disease Outbreak Control program is essential to ensure that infectious threats to the public health are successfully addressed.

Developments in bioterrorism have made the need to enhance epidemiologic capacity evident to federal level decision-makers. This has become "a matter of greatest national importance," as stated by the former Secretary for Health and Human Services, Tommy Thompson. Bioterrorism planning and preparedness includes enhancing surveillance and response to other infectious diseases as well. The program is responsible for needs assessment, development, testing, conducting response exercises, evaluation, and on-going updating of statewide public health response plans for bioterrorism events, other serious epidemics, and other public health emergencies, as well as coordination of these activities for county-specific emergency response plans.

3. Dental Diseases

Dental caries (tooth decay) remains among the most prevalent health problems in Hawaii. Efforts to prevent and control this condition among young children have come to the forefront of both national and local attention. The Dental Health Division conducts education and disease screening programs statewide in collaboration with the Department of Education (DOE). The community oral health assessments target specific populations and enable the division to design prevention programs appropriate to the needs of each school and community and prioritize use of its limited resources. On-going collaborations with the Women, Infant, and Children Program (WIC), Hawaii Head Start programs and the Maternal and Child Health/Leadership Education in Neurodevelopmental and Related Disabilities (MCH-LEND) Program enable the division to plan targeted oral health programming.

Deinstitutionalization of persons with developmental disabilities and individuals with behavioral health problems continue to increase the need for State operated dental clinics. In addition, an increase in the number of elderly living on a fixed income in need of dental assistance is anticipated as mean age of the population increases. While DOH's capacity to offer clinical dental services is severely limited by staffing and funding, the division's State-operated, community-based and institution-based clinics provide significant assistance for many of Hawaii's chronically and categorically disabled residents who lack access to private sector dental care.

Access to needed dental care services for individuals and families receiving Medicaid assistance continues to be limited, particularly on the neighbor islands where DOH does not operate dental clinics. In addition, Medicaid does not cover basic, routine dental care for adult recipients. Also, the State's medically/dentally indigent population is expected to grow in the coming years due to federal restrictions for medical assistance for legal immigrants and others currently receiving public assistance.

Ongoing community education in oral disease prevention strategies is a fundamental activity of the division. Oral health and hygiene, oral medicine, injury prevention, community water fluoridation, and appropriate use of fluorides and dental sealants are the focus of educational materials that are developed by program staff. The division is actively planning and coordinating clinical and dental hygiene programs in the State's urban and rural communities. As a key participant in the Hawaiian Islands Oral Health Task Force, Children's Oral Health Coalition and Hawaii Head Start Oral Health Collaboration and Planning Project, the division partners with community groups and other government agencies to help assure access to oral health care and age-specific and culturally appropriate education and prevention strategies. The division is also involved as a principal collaborative partner with the John A. Burns School of Medicine in development of an oral health disparities research center in Hawaii examining correlations between oral disease and other chronic diseases in local populations.

4. Family Health Services

- WIC

The Hawaii WIC Program continues to improve the automated information system; centralization of the 17 databases is projected to enhance efficiency by 2008. The U.S. Department of Agriculture (USDA) will be modifying the WIC food package to better align with dietary guidelines and nutrition education will become more participant-centered education.

The expenditure of federal funds depends upon caseload management. The Hawaii WIC Program contracts with purchase-of-service (POS) agencies as well as provides direct client services through State-run agencies. The recruitment and retention of qualified public health nutritionists to provide services remains an issue; while the closing of the School of Public Health at the University of Hawaii at Manoa, and the State's recruitment

system along with low salary schedule further exacerbate the staffing problem at State-run agencies. The program successfully developed a new class of paraprofessional staff to be trained to certify and educate low risk clients, enabling the public health nutritionist to focus on high risk clients. WIC will investigate facilitating services to the increasing homeless population as well as working caregivers.

The program supports national efforts to support breastfeeding and implemented a Breastfeeding Peer Counseling (BFPC) Project to provide lay breastfeeding peer counseling services. One BFPC is practicing in Honolulu and others are to be trained for Windward Oahu in 2007.

- Children with Special Health Needs (CSHN)

  A major trend for CSHN is the development of a comprehensive system of care for CSHN and their families, so that all CSHN will reach optimal health, growth, and development. This system is expected to have the following six outcomes:

  - Families of CSHN will partner in decision-making at all levels, and will be satisfied with the services they receive.
  - All CSHN will receive coordinated ongoing comprehensive care within a medical home.
  - All families of CSHN will have adequate private and/or public insurance to pay for the services they need.
  - All children will be screened early and continuously for special health needs.
  - Community-based service systems will be organized so families can use them easily.
  - All youth with special health needs will receive the services necessary to make transitions to all aspects of adult life, including adult health care, work, and independence.

  For this comprehensive system of care, issues include the following: (a) the availability, accessibility, affordability, and quality of health care services, so that CSHN are appropriately diagnosed and treated, and receive services as a "safety net" when necessary; (b) early identification, diagnosis, and intervention/treatment for children with special health needs; (c) infants and toddlers age 0-3 years who are developmentally delayed, biologically at risk, or environmentally at risk receive appropriate early

identification and intervention services as defined under Part C of IDEA, HRS §321-352, and the Felix Consent Decree; (d) all infants are satisfactorily screened for metabolic disorders and for hearing disorders, and that infants identified with disorders receive appropriate intervention; (e) increased awareness of genetic issues; and (f) birth defects surveillance to help promote and protect the health of children by contributing to the identification of genetic, environmental hazards, and other causes or risk factors.

- Maternal and Child Health

  The implementation of primary care, family planning, perinatal, child health and family support programs through the Maternal and Child Health Branch continue to be affected by the recovering economy, limited federal and State revenues for health care, and stricter eligibility requirements for Hawaii QUEST. Increasing needs and continued budget constraints make it more difficult to meet stated objectives and provide adequate care to the increasing numbers of the uninsured, underinsured, homeless, and vulnerable populations. Often funds distributed through POS providers are utilized within the first 2-3 quarters of the fiscal year, thus limiting services provided.

  Key health risk indicators continue to be of concern:

  - The unintended pregnancy rate in Hawaii is 50%.
  - Decrease in the infant mortality rate from 7.3 per 1,000 births in 2003 to 6.3 per 1,000 in 2005. The five-year average infant mortality rate for Native Hawaiians during this period increased to 8.8 per 1,000 births.
  - Women seeking first trimester prenatal care decreased only slightly from 82% in 2002 to 81% in 2005.
  - Uninsured rate has increased from 4% to 10% overall; 25% of the clients enrolled in the Community Health Centers are uninsured.
  - 26,000 children are without health care insurance; 19,500 Medicaid eligible children are not enrolled in MedQUEST.
  - Families identified at-risk for child abuse have increased by 10%.

  Fifty percent (50%) of unintended pregnancies for Hawaii is alarming. Possible outcomes of unintended pregnancies include significant increases in rates of abortion and infant mortality, low birth weight infant outcomes, poorer

child health and development outcomes, and increase of at-risk home situations for child abuse and neglect.

Abstinence-based education for minors and the provision of contraceptive choices for those already sexually active can make a significant impact on reducing teen pregnancy. The majority of welfare mothers in their twenties began as teen mothers. Comprehensive health screenings that take place during family planning and primary care visits can save thousands in treatment costs at a later date for both adolescents and adults.

The number of children without health care insurance is due to various reasons. Some parents may not know how to enroll in MedQUEST and others may choose not to enroll in MedQUEST. Further, some may not meet the eligibility requirements for MedQUEST and are unable to pay for regular health insurance coverage.

Also alarming is the increase in intentional injury and violence-related events. Greater numbers of children are vulnerable due to rising substance abuse and other social stressors that increase risk in homes.

The Healthy Start Program, as a component of the Early Intervention System in accordance with IDEA Part C, provides statewide universal screening and assessments of infants and follow-up home visitations for environmentally at-risk infants, children and families statewide. This has increased resources to families and children who are at risk and agree to recommended services. This may, however, generate the need for more therapeutic interventions for these multi-problem families.

The Maternal and Child Health Branch continues to collaborate with other State and private agencies to implement needed initiatives including the Child Death Review, the Hawaii Children's Trust Fund, the Perinatal Risk Assessment Monitoring System (PRAMS), and Women's Health, which is reflective of the national comprehensive approach to services across the life span. The program's emphasis is on the core public health functions of assessment, policy development and assurance. Resources are directed to those problems that present the greatest risk to public health and the prevention of the most costly, poor outcomes.

5. Developmental Disabilities

The division continues to develop a quality assurance system to monitor and improve division support services. This quality assurance system would also comply with the Center for CMS quality assurance protocols that are mandated with the approval of the divisions DD/MR Home & Community-Based Services Waiver application. These protocols would monitor for compliance the individual HCBS planning process and assure health and welfare of persons participating in the program. The division also continues to work towards the establishment of a crisis network. This network is even more critical and essential since the closure of WTSH has eliminated the safety net service once provided by the division. With the finalization of the new Settlement Agreement, the division will continue to admit Medicaid qualified DD/MR individuals at a reasonable rate.

The division continues to collaborate with the Adult Mental Health Division, Child & Adolescent Mental Health Division, Dental Health Division, and the Office of Health Care Assurance to provide and maintain a comprehensive system of supports.

Through recent strategic planning exercises with key staff, the division has identified four areas that should be further developed, these areas are: 1) alternative residential and housing options, 2) quality assurance of support services, 3) employment, and 4) individual empowerment. Future development and enhancement of these identified core areas are the challenges that face the division while maintaining careful consideration toward available resources.

6. Community Health

There are several emerging trends and issues facing the division:

- Continued limitations in program funding and personnel will continue to force programs to do more with less.
- Increased efforts for surveillance and data analysis and fostering of community-based participatory approaches for program planning, development and evaluation.
- On-going partnerships with organizations/communities will continue as government and private organizations will need to rely on each other and their resources to meet the demands of various aggregate populations and constituencies.

- Increasing rates of obesity among all groups but especially in disparate populations.
- Physical inactivity, poor diet, and tobacco use continue to contribute to the increasing incidence and prevalence of chronic diseases, thereby resulting in higher health care costs and impaired quality of life.
- Continued disproportionate impact of chronic disease mortality and morbidity on certain populations.
- Given limited resources, services will continue to target populations at highest risk, such as those who are uninsured/underinsured, the frail elderly, and pregnant teens, special health needs children, and homeless individuals.
- Increasing identification of students' health/medical conditions and those in need of educational accommodations (Section 504/IDEA) will strain limited resources to administer medications and provide other health services.
- Increasing numbers of medically fragile children in the community will require more services and will increase the need for additional health and licensed personnel in the schools.

7. Tobacco Settlement

While the State has the lowest combined obesity and overweight rates in the nation, Hawaii like elsewhere continues to experience an upward trend toward unhealthy weight. State survey results support the national findings that society has engineered physical activity out of daily life and that social norms and marketing practices has affected eating behavior toward over consumption of calories. Research is showing that primary prevention through a social ecologic approach is required to create collaborating policy and environmental changes to sustain individual behavioral changes. Formative research is needed to understand health disparities in behavior and attitudes that lead to overweight and obesity. Targeted data assessments and prevention interventions are needed to address the overwhelming health disparities by ethnicity that exists in Hawaii. Perceptions of conflicting priorities can thwart progress for coordinated school health programs. Sustaining shared understanding of common goals and respecting agency missions will be significant as a systems approach to keep health as a priority issue in the school climate.

8. Emergency Medical Services & Injury Prevention System

The Emergency Medical Services and Injury Prevention System Branch (EMSIPSB) services primarily address departmental policies and program priorities to maintain and protect health and serve the emergency health needs of the people of the State.

The number of calls for 911 Emergency Medical Services has grown each year. Calls for 911 service increased 16% in 2005 compared to 2003 and transports increased 15% during the same period. New developments in pre-hospital care are constantly being introduced and must be evaluated for possible implementation. The need to maintain the standard of care with new technology and medications can lead to increased cost of operations.

Recent technology and software has allowed the implementation of electronic data collection and management systems that have been planned and anticipated to provide great value. EMSIPSB anticipated the ability these systems have to produce information in far less time could lead to improvement in patient care, quality assurance and efficient ambulance billing operations. The Hawaii Emergency Medical Services Information System (HEMSIS) is expected to be implemented statewide in the coming year.

The statewide EMS communication system (MEDICOM) is a UHF/VHF microwave system that will be obsolete in the near future. The reliability of this system, which is needed to provide dispatch services and radio communication with physicians at hospital emergency departments for assistance in medical care at the scene and in transport to the hospital, is of concern. The existing County police 800 MHz trunk systems do not currently meet EMS operational needs. EMSIPSB participates with other State agencies led by the Department of Accounting and General Services in developing plans for a new inter-operable communications system for the State.

Helicopter aeromedical services that can take patients from the scene of an injury or medical emergency are currently available in all Counties except Kauai. On Oahu, the Army ceased its program of military assistance to civilians when its Medevac Unit was deployed overseas. In April of this year, the Hawaii Army National Guard began providing helicopter medevac services on Oahu. This service is an interim arrangement while a long-term solution for Oahu aeromedical services is still being developed.

Injury (trauma) is the leading cause of early disability and productive years of life lost costing Hawaii many lives and millions of dollars each year. It is increasingly recognized as the neglected disease of modern society. A trauma system built on a public health approach can mitigate the toll that injuries take on society every day. The public health approach incorporates a comprehensive, coordinated array of services from injury prevention to pre-hospital, hospital and rehabilitative care delivery for injured persons. Recent activity in the Legislature and community indicates that EMSIPSB is being looked to for planning and development of a comprehensive statewide trauma system for Hawaii.

Increasing attention has also been directed at dealing with violence and suicide as public health problems. What public health has done to foster prevention of other health problems can be applied to these areas as well.

Injuries due to falls are a significant barrier to healthy aging and a major public health problem. Among Hawaii seniors, age 65 or older, falls are the leading cause of fatal injuries (37%) and injury-related hospitalizations (79%). Falls are costly. For the same three-year period (2003-2005), hospital charges averaged $53 million a year, with about half (52%) being paid by Medicare. Falls are also a significant threat to the independence and quality of life of older adults. Among Hawaii seniors who were hospitalized due to a fall in the three-year period, 2003-2005, 34% were discharged to skilled nursing facilities for additional care, and another 11% were moved to a rehabilitation facility. During the past decade, the State's population of people 65 or older increased by almost 20%, and greater increases are expected during the next 20 years making this group an important one for targeted injury prevention programs.

HOSPITAL CARE

Trends and issues that may influence the program:

Physician Availability/Malpractice Insurance Crisis: Reduced payments for professional services from insurance companies and government payers plus rapidly escalating costs for physician malpractice insurance have resulted in physicians throughout Hawaii declining to provide on-call services for hospital emergency departments. As a result, specialty physicians are frequently not available to provide services to the sick and the injured that comes to HHSC emergency departments; and, HHSC is beginning to incur huge additional costs of several millions

of dollars per year to pay specialty physicians to provide services at HHSC emergency departments on the Neighbor Islands.

Collective Bargaining: HHSC costs for labor are high compared to national averages and are higher than those of local competitors. Due to federal, State and contractual reimbursement limitations, HHSC does not have the ability to generate additional funds to pay collective bargaining contract costs plus increases passed by the Legislature as part of the overall State collective bargaining process. To cover the full cost of collective bargaining increases, including both retroactive and future pay raises, it is necessary that HHSC be included in the general fund collective bargaining appropriations

Capital Improvement Project Requests: Substantial shortfalls from deferred investments and renovations of HHSC facilities continue to represent the largest, multi-million dollar, value of liabilities that were passed without funding when HHSC was formed. Failure to resolve these shortfalls can and will affect quality of care and the ability of HHSC to continue to provide services to our communities. HHSC is asking the State of Hawaii to contribute to HHSC's efforts to cope with prior facilities liabilities by providing general obligation bond-funded capital improvement projects of $10,000,000 for FY 08 and $10,000,000 for FY 09 to correct health and life safety code deficiencies. It is critical to obtain this funding but it falls far short of the minimum $57,872,000 needed for life safety code deferred investments and renovations necessary to assure continuation of quality healthcare services to the communities that HHSC serves. A detailed list is available upon request delineating the potential concerns and impacts if not fully funding the HHSC's life safety code requirements. Not fully funding these projects will potentially put patients, visitors and staff in harm's way plus put some hospitals' accreditation in jeopardy.

Critical Access Hospital (CAH): Congress established the Medicare Rural Hospital Flexibility Program as part of the Balanced Budget Act of 1997. This program is designed to assist states and rural communities to improve access to essential healthcare services by solidifying the existing healthcare infrastructure and linking providers into organized networks of care. The program created the CAH, an acute care facility that provides outpatient, emergency, and limited inpatient services, as an alternative rural hospital eligible for Medicare reimbursement. The federal government, on a reasonable cost basis, reimburses CAHs for services provided to Medicare beneficiaries.

Seven HHSC Hospitals (Kauai Veterans Memorial, Lanai Community, Ka'u, Kohala, Kula, Samuel Mahelona Memorial, and Hale Ho'ola Hamakua) have been converted to CAH. Conversion to a CAH and receipt of cost-based Medicare reimbursement has enhanced the financial position of each of these small rural hospitals to offset the cost of providing "Mandated Service" in these communities. As a result, the hospital's role as the "anchor" of the health system and a cornerstone of the local economy is preserved so that other health care providers and services are more likely to remain in the community.

Assisted-Living Facilities: HHSC established the not-for-profit (501(c)3) subsidiary Ali'i Community Care, Inc. (Ali'i) in June 2000 for the purpose of building, operating and/or owning Assisted-Living Care facilities. HHSC is the sole member of Ali'i.

Ali'i Community Care dedicated its first assisted living facility, Roselani Place, with 113 residential units, including Alzheimer's care unit, at Kahului, Maui. As Roselani Place is the first and only licensed Assisted-Living Facility on the island of Maui, Ali'i Community Care is filling a critical community need; however, State laws and rules governing assisted living have limited patronage, creating an economically challenging situation.

Economic Challenges of Rural Healthcare: HHSC operates facilities in rural or remote locations in order to meet the needs of those communities. The combined actual inpatient volume for HHSC's rural or remote facilities is well below the volume necessary to break-even. These facilities will continue to operate at unprofitable levels because the populations in these rural or remote locations served are not large enough to generate patient revenue sufficient to cover the costs of these facilities and because HHSC continues to operate with the Legislature controlling levels of service, has restrictions on outsourcing non-core healthcare business and must manage the work force under the provisions of State civil service and State collective bargaining. Establishment of seven of the rural facilities as CAH has substantially offset some of the economic disadvantages associated with operating rural hospitals.

Flat/Decreasing Revenues: Significant external trends having potential impact on HHSC include but are not limited to:

The evolution of managed care and the constant changes in the federal and State Medicare and Medicaid/Quest programs. Inherent in this is the trend to reduce in-patient and emergency room utilization and reimbursement plus the related need to provide higher intensity hospital services.

The increasing competition for healthcare resources including limited reimbursement dollars, the need for qualified healthcare professions, and the encroachment of national organizations into the State, including the neighbor islands.

Deterioration of the Long-Term Care System: The combination of the high costs and low reimbursement from Medicaid is placing extreme pressures on the long-term care system for the State of Hawaii. The existing statewide shortage of long-term care beds and other care options such as home care and adult residential care homes (ARCH) is forecast to worsen because reimbursement levels are too low to justify establishment of new facilities or expansion of current ones and existing long-term care facilities and businesses providing alternative services are in danger or shutting down voluntarily or being shut down by creditors. The increasing failures of the long-term care system in Hawaii are imposing millions of dollars in un-reimbursed costs on HHSC as up to 90 patients per day must linger at the major HHSC facilities of Maui Memorial Medical Center and Hilo Medical Center and Kona Community Hospital because there is no place for patients to go when their acute care admissions have been completed. These "wait list patients" at HHSC facilities are estimated to be costing HHSC up to $20 million or more per year. The HHSC management and board of directors are concerned that further collapse of the long-term care system in Hawaii will cause increasing numbers of "wait list patients," imposing millions of dollar in additional financial losses on HHSC and preventing patients on the Big Island and on Maui and, possibly even on the island of Kauai in the future, from accessing desperately-needed acute care services.

Labor costs constitute over 65% of the HHSC budget. HHSC costs are high compared to national averages and are higher than those of local competitors. While HHSC has been given limited authority to make memoranda of agreement and collective bargaining sub-agreements, HHSC is basically restricted from modifying salary and benefits. Pay raises for HHSC are negotiated by OCB, approved by the Administration, then appropriated by the Legislature. Requiring HHSC to pay for collective bargaining increases approved by the State from HHSC's operating revenues would impose unbearable financial hardship on the system; because, HHSC is unable to require higher reimbursement from commercial or government healthcare payers to cover legislated payroll increases. Pay raises from collective bargaining make it increasingly difficult for the Corporation to manage operating costs. To provide adequate cash for payments to employees required by collective bargaining agreements, HHSC has requested that general fund revenues be provided to HHSC if any collective bargaining agreements are enacted in addition to funds provided to offset

HHSC's annual losses attributed to excessive labor cost associated with the entire State collective bargaining process.

Substantial existing liabilities ($150 million or more) of the former DOH Division of Community Hospitals were passed to HHSC when the Corporation was formed in 1996. These liabilities include inflated fringe benefit payments for previously unfunded pension liability, prior worker's compensation liabilities, prior accrual of employee benefits, overpayment reimbursements to the federal government, and over $45 million in deferred maintenance and repair of facilities. The ability to pay for these liabilities, which were incurred prior to creation of HHSC, is critical to the future success of HHSC. HHSC has taken aggressive management actions to cope with these liabilities such as active management, including negotiated settlements, of millions of dollars of workers compensation claims to reduce prior claims liabilities and contracting for several millions of energy conservation performance contracting projects that has enabled HHSC to achieve substantial modernization of facilities at no increase in operating costs. Existing safety and operational shortfalls of HHSC facilities comprise the largest dollar value of liabilities existing prior to November 1996. Also, the lack of funding to support correction of these deferred maintenance and repair issues has exacerbated existing conditions; resulting in further problems and additional costs.

BEHAVIORAL HEALTH

1. Adult Mental Health

The focus of public mental health programming and resources continues to be on services for adults with severe and persistent mental illness. Demand for increased public resources has resulted from U.S. v. State of Hawaii Stipulations and Orders including the Plan for Community Mental Health Services which mandated the expansion and enhancement of outpatient community services. The purpose of this expansion is to meet the clinical and social needs (meaning social supports including housing, psychosocial rehabilitation, and case management) of individuals who have been or currently are patients of Hawaii State Hospital (HSH), or who have been or will be discharged, transferred or diverted from HSH, and those who are at risk of hospitalization at HSH. Although the AMHD is no longer under court oversight, it is the expectation that the State sustain the level of gains obtained during the oversight.

HSH continues to experience growth in the number of forensic patients (those patients with involvement in the criminal

justice system. At some point, we will need to develop suitable and adequate facilities for this type of patient.

HSH continues to work on maintaining national accreditation. The AMHD is continuing to enhance its information collection and processing to improve the accurate collection and utilization of data and information relative to service authorization, services provided, and outcomes of inpatient and outpatient services.

2. Alcohol and Drug Abuse

Major trends affecting the program continue to include social and economic conditions which create additional emotional stress on individuals and families thus resulting in increased substance use and a greater demand for substance abuse services. These trends include increased use of alcohol and other drugs by adolescents; increased availability of drugs, including crystal methamphetamine and marijuana; increased number of adults and adolescents within the criminal justice, correctional and child welfare systems needing treatment; and increased treatment needs for those at high risk of HIV infection. Other trends include the federal government's influence in shaping the direction of substance abuse programs/policies and its focus on requiring states to be more accountable and to report measurable program outcomes.

3. Child and Adolescent Mental Health

Major trends affecting the program are: (1) social and economic conditions which create undue mental stress on parents and their families, making them less able to deal with their dependents and responsibilities resulting in an increased demand for mental health services; (2) the ready availability of qualified mental health professionals in general as further associated with the civil service recruitment requirements; (3) the sustainability requirements of the Felix Consent Decree; (4) the Olmstead Decision (requiring the least restrictive or community-based services for clients with disabilities); (5) the DOE and the DOH, via the CAMHD, joint responsibility for children and adolescents in public school requiring mental health services to benefit from their education; (6) the CAMHD operating requirements to meet the quality and financial obligations of Medicaid Managed Care Health Plans.

ENVIRONMENTAL HEALTH

1. Environmental Health Services

In recent years, the need to address new and emerging diseases in the area of food-borne illnesses and vector-borne diseases has become a major focus of the environmental health programs. In the area of vector-borne diseases, there is a significant interest because all of the vector species and disease pathogens present in Hawaii were introduced from abroad, such as dengue and West Nile Virus. Due to the potential of other vectors and vector-borne diseases that could be introduced in Hawaii, there is a growing need to remain vigilant and be ready to respond quickly. Terrorism has played a significant role in raising the level of focus and activities for all of the environmental health programs. The functions and activities of the environmental health programs are vital in preventing and responding to all acts of terrorism, biological, chemical and radiological. The Environmental Health Services Division has special capabilities in its Radiological Response Team. In this regard, all programs are actively involved in developing plans for public health readiness.

Another significant activity is in the area of information management. The environmental health programs are progressing toward developing new technologies in the areas of field inspections, data management, and report generation, thereby improving the level of services to the general public.

2. Health Care Assurance

There continues to be an increasing need for long-term care options for the elderly due to longevity and the anticipation of the "baby boomers" aging. There is a concern that the demand for long-term care beds may far outweigh the supply within the next few years and with that a shortage of the appropriate workforce to meet the demands. As such, the Office of Health Care Assurance (OHCA) is working through the department's Long-Term Living Initiative to develop options for the frail elderly, which would include institutional care as well as community-based residential care as well as developed a training model for nurse aide training and apprenticeship. Ongoing dialogue and collaboration of all affected State, departmental and county agencies are crucial to ensure the health and safety of individuals residing in any of these care facilities.

The federal survey and certification program priorities continue to focus on legislatively mandated activities including recertification of nursing homes, home health agencies, intermediate care facilities for the mentally retarded, and validation surveys of accredited hospitals. The CMS has developed a rating of all nursing facilities via its Nursing Home Compare and Hospital Compare which is available to the general public via its website. The program continues to provide CMS with appropriate data and information relating to the facilities within the State and Pacific Area. Of continued priority is the completion of complaint investigations regarding allegations of resident abuse, neglect, and misappropriation of resident property; serious threat to the mental or physical health or safety of patients; and Emergency Treatment and Labor Act (EMTALA) violations.

Due to deaths occurring in community-based settings resulting from neglect on the part of the care givers, OHCA has developed training programs for the prevention of abuse, neglect and financial exploitation of residents as well as identification and prevention of the development of pressure sores. OHCA is also concerned with the continued monitoring and oversight of these facilities, as well as the need for ongoing development of care giver training to ensure the provision of quality care through timely and appropriate assessment. Through collaboration with the community colleges, OHCA has amended the training module for prospective applicants to operate adult residential care homes and developmental disabilities domiciliary homes. With ongoing communication, it is expected to be able to develop even more training opportunities for all providers of care.

3. State Laboratory

The State Laboratories Division is in its twelfth year of occupancy at its facility in Pearl City. The immediate challenges in operating a facility of this magnitude are increasing electricity costs and the need for adequate funds for routine and special repair and maintenance which is essential for the preservation of our facility. The program's success depends largely on its ability to efficiently operate and maintain the sophisticated heating, ventilation and air conditioning (HVAC) of this facility. Due to personnel safety concerns, when the laboratory experiences an HVAC failure, everyone in the facility is evacuated. Analytical work in progress may be aborted under these conditions.

Meeting critical program needs and maintenance of current level of services require budget adjustments for increased costs. Program expansion to address bioterrorism threats were initiated in August 1999 with federal funds. The national program to increase laboratory capacity necessary to analyze selected organisms with high epidemic potential or for use as a bioterrorism threat maintains its high expectations of participant laboratories, including Hawaii.

The 105-seat auditorium, an adjacent training laboratory and smaller conference rooms are used extensively by other departmental programs for training and meetings. The two satellite dishes on the facility are used to receive long-distance training programs sponsored by the Environmental Protection Agency and the National Public Health Training Network. Accommodations have been made to allow laboratory and other public health professionals to view these training programs that originate in the mainland and are broadcast to Hawaii in the early morning hours, usually beginning at 6:00 a.m. to 7:00 a.m. The availability of ample parking, conference rooms and a spacious lobby provide comfort and convenience to program participants. The program anticipates that the interest and utilization of this facility will continue in the future.

V. SELECTED PROBLEMS FOR POSSIBLE STUDY

HOSPITAL CARE

Most severe current trend that should be studied is the necessity for paying physicians to provide emergency physician services and specialty physician on-call services at HHSC's ten emergency departments. These costs are forecast to escalate to as much as $15 million in FY 08 and $16 million in FY 09.